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Robert Moser, MD, Secretary

Sam Brownback, Governor

January 30, 2014

To Whom It May Concern:

You have been identified as a liable third party resource, and we need your assistance. The Medicaid Program Integrity Unit is part of the Kansas Department of Health and Environment (KDHE), Division of Health Care Finance (DHCF), which is the designated Single State Medicaid Agency (SSMA) for the State of Kansas.

As a condition for receiving federal Medicaid funds, the SSMA is required to ensure that Medicaid is the payer of last resort on submitted claims. Section 1902 (a)(25) of the Social Security Act requires that States take all reasonable measures to identify legally liable third parties and treat verified third party liability as a primary resource of the Medicaid recipient. Furthermore, 42 CFR 433.139 Subpart D (b)(1) requires Medicaid to reject the claim and return it to the provider for a determination of the amount of liability if the Medicaid beneficiary has other liable health insurance.

This means that a provider must receive either a denial or a payment for services from other liable health insurance prior to billing Medicaid.

However, whenever a potentially liable health insurance company does not cover specific procedure codes, providers are allowed to bill the claims directly to Medicaid without first billing the primary insurance, if there is confirmation from the liable insurance company that the procedure codes are never covered. These confirmations of non-coverage are commonly known as "blanket denial" letters.

**As a liable third party resource, we are asking that you please supply the billing provider with a blanket denial letter for procedure codes . and any other procedure codes you never cover so that they may bill Medicaid without having to first submit the claim to you for processing.**

Having these codes on file benefits all parties by reducing the claims processing costs for Medicaid, the provider and the insurance company involved.

Thank you for your assistance.

Respectfully,

Program Integrity Unit/Medicaid  
Division of Health Care Finance  
Kansas Department of Health and Environment (KDHE)

## Third Party Liability Frequently Asked Questions

1. Is the TPL process different for TCM than waiver services?

No. The TPL process is the same for all services.

2. Are we required to send the denial for every claim or just the first one we file for the person?

If you receive a client specific denial, you can use that for one year from the date listed on the denial. A copy of the original denial should be attached with each claim.

3. Isn't there a field in Authenticare that could be completed and would make the process less time consuming?

KDADS is working with First Data to add an enhancement to the Authenticare system that would allow providers to submit individual TPL denial information. This individual denial information would attach to claims submitted through the system.

4. Do you still want copies of denials if we get one from an insurance company?

If you receive a blanket denial, i.e., a denial that states the carrier never covers the service, AND it is not client specific, please share with the MCO and with the state.

5. If a claim is submitted electronically and the TPL fields are completed, does the provider need to send paper information to the MCOs?

No. However, you should make sure you retain the proof of payment or denial in your files.

6. Do MCOs need copies of TPL denials?

Yes. If the denial is client specific, you must attach a copy of the original denial with the claim. If it is a blanket denial, please share with the MCO and the state.

7. How often will there be updated bulletins for the TPL denial list?

The state will release an updated bulletin at least once per month.

8. We are an FMS provider and have been dealing with the TPL billing issues since FMS started, as we bill for all waivers. Would it be possible to implement the by-pass for all waivers?

TPL edits are temporarily being bypassed for DD services, based on experience with the DD pilot, in order to facilitate the transition to KanCare. For all waivers, KDADS is working to implement Authenticare TPL enhancements, KDHE is working to further expand the blanket denials list, and both agencies are working with the MCOs to improve the TPL process overall.